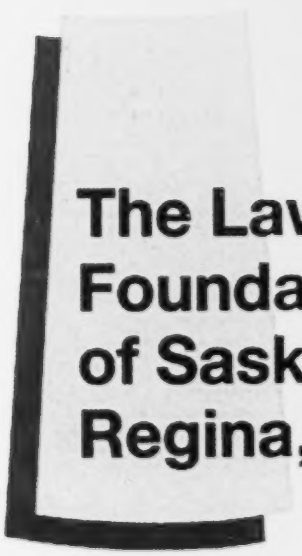
THIRTIETH
ANNUAL REPORT

2003
(Fiscal Year ended June 30th)



The Law
Foundation
of Saskatchewan
Regina, Sask.

104-02300/

THE LAW FOUNDATION
(www.lawfoundation.sk.ca)

The Law Foundation of Saskatchewan
30th Annual Report for the Year Ended June 30th, 2003
to the Honourable Minister of Justice of Saskatchewan
and to the Law Society of Saskatchewan,
pursuant to Section 79 of The Legal Profession Act,
1990, and Amendments thereto

During its 30 years of operation, the Foundation has received income exceeding $43,577,000 from interest on funds in lawyers' mixed trust accounts and its investments. Except for administration costs and funds held in the Grant Stabilization Reserve and Unallocated Revenue, all of that money has been expended on the Foundation's statutory purposes of legal education, legal research, legal aid, law libraries, and law reform. Most of the funds were spent in Saskatchewan except for projects national in nature and usually supported by other Canadian Law Foundations. Projects of an on-going nature are: Law Society Libraries, Public Legal Education Association, Saskatchewan Legal Education Society, College of Law/Law Foundation of Saskatchewan Endowment Fund, Native Law Centre, Centre for Studies in Agriculture, Law and the Environment, University of Saskatchewan, the Law Reform Commission, and the Elizabeth Fry Society.

The interest calculation on trust accounts is based on the prime rate which was at 4 ¾ % on the 30th June 2003, a decrease over three years of 2¼%, resulting in reduced interest on the trust accounts. The Foundation received income of $1,777,000 from mixed trust accounts in 2002/2003, compared to $1,408,000 in 2001/2002.

Grants authorized and unpaid at the end of the year totalled $1,832,800. The Grant Stabilization Reserve remains at $5,000,000 and the Unallocated Revenue balance is $270,187. The day-to-day operations of the Foundation are handled by the Secretary, Mr. H. Robert Arscott, F.C.A., of Regina.

The Foundation authorized the following grants for the year ended 30th June 2003:

Law Society Libraries - annual		$ 660,000
Public Legal Education Association - annual		456,457
Saskatchewan Legal Aid - Service Standards Implementation - Phase II		160,000
Law Society Bar Course Harmonization		140,000
Saskatchewan Legal Education Society - annual		94,418
Law Foundation Endowment Fund - College of Law - annual		75,000
Native Law Centre - annual		65,460
Law Reform Commission - annual		60,000
Past Chair - Scholarship	$28,000	
- Prize	22,000	50,000
Court of Queen's Bench Evaluation of Simplified Procedure Rules		47,734
Elizabeth Fry Society - Native Court Worker - annual		39,400
Elizabeth Fry Society - Outreach		27,500
Court of Queen's Bench - Revision to Rules of Court		24,862
Saskatoon Community Mediation Services - Peer Mediation		20,000
Environmental Law Area Group		17,435
Saskatoon Sexual Assault & Info. Centre		12,000
Law Society Tariff Costs - Court of Appeal		10,000
Estey Centre - Conference		9,000
Institute for Media Policy & Civil Society		5,000
Salvation Army		4,000
Saskatchewan Elocution & Debate		2,000
Total		$1,980,266

Financial Highlights

	2003	2002	2001	2000	1999
Revenue from all sources	$ 2,146,385	$1,834,156	$3,806,498	$3,258,917	$2,571,080
Grants authorized	1,980,266	1,687,216	3,823,050	1,894,452	1,504,436
Administrative expenses	134,580	150,915	156,310	124,186	125,957
Grant stabilization reserve	$ 5,000,000	$5,000,000	$5,000,000	$5,000,000	$3,965,000

The Grant Stabilization Reserve allows the Foundation to continue funding its major core grants of approximately $1,500,000 annually without major reductions. The Reserve protects core projects and allows for their orderly management during times of reduced income to the Foundation.

Meetings of the Foundation

The Foundation members meet regularly on a quarterly basis throughout the year. Mr. John Stamatinos, Q.C., attended the August 2003 annual meeting of the Canadian Association of Law Foundations held in conjunction with the Canadian Bar Association annual meeting in Montreal, Quebec. The Secretary attended a joint meeting with I0LTA, U.S.A. in Seattle and a special workshop in Calgary. At the annual meeting, the Canadian Foundations discuss projects of a national nature and other matters of mutual interest. Representatives of the Saskatchewan Law Foundation continually emphasize the national importance of the Native Law Centre at the University of Saskatchewan and request the continued support of the Canadian Foundations for this worthy project.

The present members of the Foundation are: Mr. John Stamatinos, Q.C., (Chair), Mr. Randy Baker, Q.C., (Vice-Chair), Mr. Gordon Wicijowski, L.L.D, F.C.A. (Treasurer), Dean Dan Ish, Q.C., Mr. Rod Crook, Ms. Alma Wiebe, Q.C., Ms. Karen Prisciak, Q.C., and Mr. Robert Arscott, F.C.A. (Secretary). During the year, Mr. Harry Dahlem, Q.C. retired from the Foundation. Ms. K. Prisciak, Q.C. was appointed effective the 1st January 2003.

Mr. Dahlem was a member of the Foundation for 28 years and contributed to the benefit of both the Law Foundation of Saskatchewan and the other Canadian Law Foundations. He was honoured at a special dinner in Saskatoon in December 2002.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at Yorkton, Saskatchewan, this 12th day of September A.D. 2003.

Mr. John Stamatinos,
Chair

Financial Statements of

LAW FOUNDATION

30th June 2003

Deloitte
& Touche

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Deloitte
& Touche

AUDITORS' REPORT

To the Members of the
Law Foundation

We have audited the balance sheet of the Law Foundation as at June 30, 2003, and the statements of revenue, expenditures, grants and unallocated revenue for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2003 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan
September 5, 2003

LAW FOUNDATION

(Established Under the Legal Profession Act of Saskatchewan)

BALANCE SHEET
30th JUNE 2003

	2003	2002
ASSETS		
Cash	$ 217,032	$ 5,200
Interest receivable from solicitors' trust accounts	192,271	112,603
Investments - cost (Note "2")	6,296,426	7,613,199
Accrued interest on investments	273,631	279,927
Due from Investment Dealer	123,584	4,656
	$7,102,944	$8,015,585
LIABILITIES, RESERVE AND UNALLOCATED REVENUE		
Accounts payable	$ -0-	$ 14,000
Grants payable	1,832,757	2,917,066
Grant stabilization reserve (Note "1")	5,000,000	5,000,000
Unallocated revenue	270,187	84,519
	$7,102,944	$8,015,585

On behalf of the Foundation:

Chairperson

Treasurer

LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE
30th JUNE 2003

		2003		2002
REVENUE:				
Interest from lawyer's mixed trust accounts		$1,777,313		$1,407,731
Interest earned on investments		369,072		426,425
		2,146,385		1,834,156
EXPENDITURES:				
- Administrative				
Foundation members				
- per diem	$ 16,700		$ 21,600	
- meetings				
- regular	5,927		8,720	
- special	9,923		8,990	
Office, postage, stationery, telephone	19,241		29,858	
Office of the Secretary	78,237		77,792	
Professional fees	4,552		3,955	
		134,580		150,915
EXCESS OF REVENUE OVER EXPENDITURES		2,011,805		1,683,241
GRANTS AUTHORIZED				
- Schedule "1" (Note "1")		(1,980,266)		(1,687,216)
GRANTS RECOVERED		154,129		27,025
EXCESS OF REVENUE OVER EXPENDITURES AND GRANTS FOR THE YEAR		185,668		23,050
UNALLOCATED REVENUE, BEGINNING OF YEAR		84,519		61,469
UNALLOCATED REVENUE, END OF YEAR		$ 270,187		$ 84,519

LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
30th JUNE 2003

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates.

Interest

Interest income is recorded as earned and results from client trust accounts of the members of the Law Society of Saskatchewan.

Grants

Grants are expensed at the time they are authorized by the Foundation.

Grant Stabilization Reserve

The Reserve is to provide protection for continuing grants in the event of future revenue reductions.

2. LONG TERM INVESTMENTS

	2003		2002	
	Market	Cost	Market	Cost
Treasury bills	$ -	$ -	$ 1,059,511	$ 1,059,511
Debentures	428,516	402,490	409,584	401,100
Guaranteed investment certificates	798,560	798,560	1,199,999	1,199,999
Medium term notes	1,061,519	1,007,019	1,718,261	1,642,934
Bonds	4,318,854	3,938,357	3,435,641	3,159,655
Business Development Bank of Canada NASDAQ-100 index	156,000	150,000	143,250	150,000
	$ 6,763,449	$ 6,296,426	$ 7,966,246	$ 7,613,199

Long term investments are recorded at cost. It is the Foundation's policy to hold all investments to maturity.

LAW FOUNDATION

(Established Under the Legal Profession Act of Saskatchewan)

Grants Authorized
30th June 2003 — **Schedule "1"**

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